

Meeting Minutes

August 24, 2005

GOVERNOR'S COMMITTEE FOR THE PURCHASE OF COMMODITIES AND SERVICES FROM THE HANDICAPPED

The meeting was called to order by Chairman Lee Dixon at 9:33 a.m. at the F. Ray Power Building, located at the West Virginia Division of Rehabilitation Services' office in Institute, West Virginia. It was determined that a quorum was present.

ATTENDANCE

Committee: Linda Maniak; Everette Sullivan; Brenda King; Donna Lipscomb, Lee Dixon; and Scott Padon (Executive Secretary)

WVARF Staff: Glenn McEndree; Chris Miller, Craig Greening, and Ken Kennedy

Public Attendance: Patty Count, Kanawha Janitorial Services
Liz Sampson, Clay County Special Services
John Posey, Prestera Center for Mental Health Services
Jack Holcomb and Steve Smith, Precision Services

APPROVAL OF MINUTES

Upon review of the June 15, 2005 Committee meeting minutes Donna Lipscomb requested that "on Tuesday" be taken out of the draft since it was not clear that the Governor gave a directive on Tuesday.

MOTION #1

Everette Sullivan moved and Linda Maniak seconded the June 15, 2005 State Use Committee Minutes be approved as corrected. Motion Passed.

COMMITTEE ADMINISTRATIVE BUDGET REPORT

Executive Secretary, Scott Padon, reported that everything had been paid to date. The only outstanding expenses will be those resulting from the meeting today.

REPORT OF THE CHAIR – No report

REPORT OF THE EXECUTIVE SECRETARY – No report

Update on Bottled Water Delivery Transition - Prestera

John Posey, Prestera supervisor, reported the following:

1. An individual has been hired to drive the truck from Charleston to LeSage to pick up water for distribution out of Prestera's Charleston warehouse location.
2. Water will be moved from LeSage to Charleston on Monday, Wednesday and Friday.

3. Direct billing will be worked out with a clerk being hired to handle invoicing and will be handled through the Huntington office. The clerk will be available for customer complaints or questions regarding state agency service.
4. Prestera personnel will be initiating *service agreements* with each one of the Kanawha, Boone, and Putnam agency accounts starting today.
5. There appear to be no supply issues to date regarding the availability of water for Prestera.

Glenn informed the Committee that Green Acres had recently invested in the purchase of new bottles and was planning to purchase a 500 gallon storage holding tank. Water coolers have not been readily available for new customers and/replacements. WVARF has agreed to purchase up to 20 coolers for Prestera's use. Prestera will pay a monthly fee to WVARF in order to reimburse WVARF for the coolers.

REPORT OF THE WV ARF EXECUTIVE DIRECTOR

Glenn McEndree, WV ARF Executive Director, presented his report in writing covering the following:

1. WVARF received nearly \$365,000 from the state which represented the majority of the state's outstanding debt. WVARF is going to begin legal action to collect any remaining outstanding balances relating to FY2005.
2. WVARF, as the CNA, received a letter dated August 1, 2005 from Rob Ferguson, Department of Administration, requesting answers to 16 questions about WVARF the CNA and its operations. Glenn indicated that he responded to Mr. Ferguson's letter with a letter and two notebooks full of information. The notebooks are available for Committee review should they desire. To date there has been no response to WVARF.
3. See Prestera's report concerning delivery of water to Boone, Kanawha, and Putnam counties.
4. December 28, 2005 is being projected for the implementation date for the WVARF Electronic Management System which is being created by the Terradon Communication Group.
5. A USDA grant is being developed requesting funds for the purchase of computers and training how to use them for CRPs.
6. WVARF is planning an ad campaign in October to coincide with Disability Awareness month. The Governor's office has been contacted to determine if he would consider participating in the campaign.
7. CNA Administration Fee – Glenn stated the Committee set the CNA administrative fee in December 2005 at 4.1%. The Committee further approved in May the WVARF/CNA budget for FY2006 which included the 4.1%. The Purchasing Division in June indicated there needed to be additional justification for the reinstatement of the fee to 4.1%. Glenn presented information to Karen Byrd, Purchasing Division, in a letter dated July 22, 2005, explaining the need for reinstatement of the fee. Purchasing says it is currently in the Secretary of Administration's office with no response. He stated that WVARF is in a dilemma, questioning what is the fee? Scott states that changes to WVARF04 statewide contract must have justification and cannot be changed without a "Change Order" processed through the Purchasing Division and approved by the Purchasing Director. The information justifying a reinstatement of the fee is currently resting in the Administration cabinet secretary's office and is pending. Scott stated that once statewide contract change order information is in the Division there will be no

comment on the progress of that contract until a final decision is made. Donna offered to make sure this issue is brought to Mr. Ferguson's attention as soon as he returns to the office as he is out of town.

Glenn stated that the only legal document he is aware of regarding the fee issue is a letter from the Committee Chairperson, Lee Dixon, dated March 16, 2005, stating the Committee voted to reinstate the fee to 4.1%.

Craig Greening stated that current contracts were being held up because of the uncertainty of the fee. Glenn asked for direction from the committee, stating that he had called Cabinet Secretary Ferguson's office and that he was out of town. Lee stated that he had been in contact with the Governor's office and was willing to try to get a meeting with the Governor's office regarding the fee reinstatement if the committee members did not object.

Everett Sullivan stated that he had a problem with resolving the 4.1% issue and maybe the Committee should consider recessing the meeting until later in order to take action. Donna indicated the Committee can call emergency meetings to address special concerns without having to give the 10 day notice on the State Register.

MOTION #2

Everette Sullivan moved and Linda Miniak seconded motion that Lee contact the Governor's office regarding the fee reinstatement. Donna and Brenda voted no. MOTION PASSED.

CONTRACT COMPLAINTS

The following complaints were recorded from July 1, 2004 to June 30, 2005 regarding email, verbal and/or formal complaints and/or formal complaints filed through the Purchasing Division on the *Vendor Performance Form (WV-82)*.

FORMAL COMPLAINTS

Bottled Water	1
Janitorial	1

VERBAL/EMAIL COMPLAINTS

Rest Area	2
Stakes	1
Janitorial	18
Bottled Water	3
20 oz. Water	2
Rubber Stamps	3
Courier	3

Since the last Committee meeting on June 15, 2005 and prior to the end of the fiscal year, June 31, 2005, WVARF received a formal complaint filed by DHHR on building janitorial services in Beckley. Craig stated that he had met several times with the DHHR customer and CRP to develop a CRP Plan of Correction. He reviewed the progress toward resolving the customer's issues. The customer does indicate the building is cleaner but wants to be assured that the corrective action will be long standing.

In reviewing the summary of forma/verbal/email complaints for FY2005, it was questioned, why the increase in janitorial complaints? Craig stated that State agencies have been carefully reviewing their contracts based on the Governor's directive for the agencies be more dedicated to efficiencies in spending the State's monies. Thus, they want to be assured that the services they are paying for are in fact being carried out. The complaints that have been generated have been legitimate. He stated that CRPs need to be more attentive to contract scopes of work and pay attention to details.

**ANNUAL REPORT
WVARF04 COMPLAINT LOG SUMMARY
FY 2006**

	Verbal/Email	Formal
1st Quarter	Janitorial – 7 Bottled Water - 1	
2nd Quarter		
3rd Quarter		
4th Quarter		
Annual Summary	7	

COMPLAINT SUMMARY FOR FY2006

FORMAL COMPLAINTS

0

VERBAL/EMAIL COMPLAINTS

Janitorial
Bottled Water

7
1

CONTRACT PRESENTATION

Contract Updates

Craig Greening presented updated information on the following contracts:

- WV Air National Guard – Charleston – awaiting the agency to decide if the increase in costing be approved
- WV Air National Guard – Martinsburg – working on a Statement of Work and
- Low Impact Monitor Dispatch and Monitors – extended contract to allow updated prices for gasoline to be included in the prices annually
- Weirton State Office Building – several contracts will be incorporated into one when these agencies move into a larger office building. The CRP will be cleaning more office space.

Update on Potential Additions to Statewide Contract

Upon further investigation and negotiation on the Public Broadcasting Tower Grounds Maintenance Project, it was learned that potentially a small business impact existed should the project be assigned to WVARF. The current vendor who does some of the tower sites would lose a significant amount of business income with the loss of the project. WVARF decided not to pursue the project any further for this contract year.

Additions to Current WVARF04 or TEMP04A Statewide Contracts

Currently the Document Imaging is on the WVARF04 statewide contract and has a line item for data warehousing via the internet for 8.5" X 14" & 11" X 17" documents. It is recommended that the following Data Warehousing Large Document Image sizes be added to WVARF04. At least one state agency described the need for this service at the sizes shown.

ADDITIONS TO WVAR04			
STATEWIDE CONTRACT	ITEM DESCRIPTION	PRICE	CRP
WVARF04	Data Warehousing Large Document Image – 18" X 24" (Via Internet) (Per image/per year and includes accessing up to 20% of images warehoused.) <i>(Relates to Items 4-5 above in Document Image Scanning Section)</i>	\$0.1318	Precision Services
WVARF04	Data Warehousing Large Document Image - 24" X 36" (Via Internet) (Per image/per year and includes accessing up to 20% of images warehoused.) <i>(Relates to Items 6-7 above in Document Image Scanning Section)</i>	\$0.2622	Precision Services
WVARF04	Data Warehousing Large Document Image 36" X 48" (Via Internet) (Per image/per year and includes accessing up to 20% of images warehoused.) <i>(Relates to Items 8-9 above in Document Image Scanning Section)</i>	\$0.5246	Precision Services

MOTION #3

Linda Maniak moved and Donna Lipscomb seconded that the Committee accept the addition of the three data warehousing line items and prices as presented subject to approval by the Purchasing Division. Motion Passed.

Janitorial Contract Renewals**MOTION #4**

Everette Sullivan moved and Linda Maniak seconded that the Committee accept the renewal contracts as presented below. Motion Passed.

AGENCY	LOCATION	ANNUAL FMP	CRP
Geological Survey	Smith St, Charleston	\$1,286.13	GI Kan Valley
Northern Operations Ctr.	Morgantown	\$3,774.96	PACE

AGENCY	LOCATION	ANNUAL FMP	GRP
DOH Dist 2, Warehouse	Huntington	\$3,645.24	GI KYOWVA
DOH Dist 7, Headquarters	Weston	\$54,206.68	Precision Services
Workers Compensation Commission	4101 MacCorkle, Charleston	\$31,689.48	GI Kan Valley
	4401 MacCorkle, Charleston	\$12,429.24	GI Kan Valley
	5301 MacCorkle, Charleston	\$7,448.16	GI Kan Valley
	Big Chimney	\$22,820.88	GI Kan Valley
Bureau of Employment Programs	Elkins	\$14,727.48	Randolph County
	Hurricane	\$6,746.64	GI Kan Valley
	Logan	\$7,912.80	Integrated Resources
	Morgantown	\$8,308.68	PACE
	New Martinsville	\$4,133.28	Northwoods
	Parkersburg	\$11,965.32	SW Resources
	Plaza East, Charleston	\$71,670.48	GI Kan Valley
	Pt Pleasant	\$9,262.20	GI KYOWVA
	Welch	\$5,643.96	Integrated Resources
	Williamson	\$8,056.20	Integrated Resources

OLD BUSINESS

WV ARF Accounts Receivable Report

Chris Miller reported FY 2005 sales going through WVARF were year-to-date \$10,465,483 (\$700,000 increase).

Aged receivables over 60 days as of July 31, 2005 were 12.92%. Situation is a lot better than it has been. Some receivables are still out from May and June from the Department of Administration. They are primarily the Capitol Complex (General Services), Huntington Building (General Services) and Department of Environmental Protection, Kanawha City (General Services). Donna questioned if the IS & C receivables were taken care. Chris stated there were no over 60 day receivables from them.

Donna stated that she asked in June which agencies are being considered by WVARF to go through the Court of Claims and was told there would be no Court of Claims issues. Chris stated the only receivables from May and June were the Department of Administration, \$105,000, and the Division of Rehabilitation Services, \$36,000. Scott indicated that some of these receivables may be Special Revenue Accounts out of which these receivables may be paid during the next year's budget versus General Revenue Accounts. Donna asked that an updated list of receivables be Emailed to her and Brenda for period ending through June 2005.

Everette asked how we know that CRPs are paying the program fee. Chris stated that we do get a report from Green Acres that shows total amounts paid by state agencies for bottled water. Brenda recommended that each CRP (JCDC, Presteria, and Green Acres) provide a report on their monthly/annual product sales receipts.

Ratio Update

The following CRPs were below the 75% ratio: Clay County Services Unlimited (69.1%), Goodwill Industries of Kanawha Valley (74.1%), Preston County Sheltered Workshop (72.8%), and Randolph County Sheltered Workshop (70.6). Based on the collective direct labor hours for all participating CRPs over the past four quarters the ratio is 81% which is well above the 75% ratio standard.

The Committee discussed what to do if a CRP does not meet the 75% ratio. In the past, those that were not in compliance were sent a letter seeking a Plan of Correction (POC).

Liz Sampson explained how new contracts could raise the "person with disability" ratio. Based on that information the members suggested that the Committee could consider the CRP's quarterly reports and POC individually for extenuating circumstances. The Committee could then determine whether the CRP should be considered for new contracts.

MOTION #5

Donna Lipscomb moved and Everett Sullivan seconded that if CRPs are below the required 75% ratio at the end of a quarter that the CRPs provide a Plan of Correction. If it is an acceptable Plan of Correction they could continue to get new contracts; but, if the Committee determines it is not, they will not be assigned any new contracts until they meet that percentage. Motion Passed.

MOTION #6

Brenda Morford moved and Donna Lipscomb seconded that if a CRP falls below the 75% ratio, it must submit a Plan of Correction with the West Virginia State Use Quarterly Report. Motion Passed.

NEW BUSINESS

Signature Issue

As Chairperson of the Committee and his living in Elkins, Lee explained that there is a time delay on occasion when he has to sign in blue ink all of the Fair Market Price letters approved by the Committee. It was recommended that the CNA staff try to have the letters prepared prior to the Committee's meetings in order that the chairperson signs them upon Committee approval and after the meeting.

Committee Member Reappointment

Lee announced that he had contacted Governor's office to see if he will re-appoint current members until the Governor appoints new members

Central Nonprofit Agency (CNA) Qualified Participant Desk Review

Glenn presented a general report on the CNA Desk Review for FY2005. He stated that they did a desk review last week and there were some issues that he needed to address. Donna requested the results of the desk review. Glenn stated that he was not prepared to get into details and had only a general overview. However, if the CRP is not in compliance the CNA will be more forceful.

MOTION #7

Donna Lipscomb moved and Everett Sullivan seconded that any of the problems and concerns found in the CNA reviews be brought before the Committee. Motion Passed.

Donna Lipscomb indicated that she noticed in the packet that \$400,000 was liquidated and nothing was mentioned regarding that transfer during the Report of the Executive Director. Donna questioned whether the liquidation of monies was brought before the Committee for approval prior to the money being liquidated. She stated that prior motions were passed by the Committee that required the CNA to get prior approval from the Committee and she wondered how they could liquidate funds without prior approval. Additionally, last year the Committee included the investments as part of the budget and that moved that nothing be done with the money without it being brought to the Committee.

Glenn stated that he believed that WVARF had the legal ability to liquidate those funds, citing a legal opinion from Rose Law Office. Donna stated that the Committee previously included those funds as part of the budget that the Committee had to approve. Glenn indicated that WVARF did not include it in the budget for the current year. Donna indicated that the Administration had asked the Committee to lay the budget over for one month and the

Committee voted to proceed with approval of the budget in her absence. Donna questioned whether the Committee approved the current budget without including the cash reserve, investment portfolio, and interest earned. She further questioned whether any of these items went into the current budget. Chris stated that none of the items were on the budget document. Brenda stated that she also had asked that the approval of the budget be laid over.

Donna stated that she was very surprised to see that \$400,000 had been liquidated without the Committee's approval. She questioned if WVARF staff advised the WVARF Executive Committee that there was a requirement for prior approval prior to liquidation. Glenn stated that he can not recall if he informed them of the requirement. Donna indicated that she understood WVARF's position but the Committee has not gotten a legal opinion on that issue and until an opinion is obtained that the Committee must assure that any monies that may be considered public funds be accounted for and spent for their intended purpose as approved by the Committee. Glenn stated that he would need to consult with his attorney.

Donna questioned whether the Committee approved the current budget without including the cash reserve, investment portfolio, and interest earned. She further questioned whether any of these items went into the current budget. Chris stated that none of the items were on the budget document. The only reference to the investment portfolio was that a balance sheet was included as a supplement to the budget document.

Brenda King stated that the Committee asked last year that nothing be done with the investment money without bringing it before the Committee. The Committee voted upon and agreed that the Committee would review recommendations before anything was done with the investment money. She further stated that they do not know who the money belongs to, the State of WV or WVARF. However, the Committee voted that it would be included in the budget. Brenda stated that the budget is based upon the 4.1% which is where the money in the investment account comes from. Therefore, WVARF is stating on one hand it should be a part of the budget and on the other hand WVARF is stating it does not. The money in the investment account comes from the money accumulated in the 4.1% fee. Brenda stated that liquidating the money in the investment account without approval of the Committee is not a good thing.

Everette asked why the liquidation was not first brought to the committee. Glenn stated that it was done in July to pay bills and we had no meeting in July. Reasons for doing this were the Martinsburg transition and low on cash reserves. Donna asked why they did not use the cash reserve account and questioned how much money is in that account. Chris stated he did not know exactly but it is over \$200,000.

Brenda stated that WVARF had distributed money in the past when the Committee requested that they not distribute funds without prior approval and they did it and then told the Committee about it later. Now it has happened again during a time when the Committee was not meeting. Brenda stated that there was nothing to keep WVARF from calling the Committee for approval if there was no meeting scheduled. That is why this continues to be a problem because the Committee puts the 4.1% in the budget.

Chris stated that the liquidation was done primarily on the advice of WVARF's investment advisor. The investment advisor recommended it would be better to pay off the line of credit

in order not to pay out more interest than was coming in from the investments. Glenn noted that WVARF needed monies to pay the CRPs for fulfillment of State Use contracts. The state was late in paying its bills which created a cash flow problem. Chris also stated that there were considerable monetary advancements to the Martinsburg project.

Lee does not see any reason to put the CNA out to bid and get a contract. Donna stated that if it was put out to bid then you would get the best qualified for the best price and a contract would be in place that set out what the money could be used for.

COMMENTS FROM THE PUBLIC - None

ADJOURNMENT

MOTION #8

Everette Sullivan moved and Brenda Morford seconded to adjourn the meeting at 11:52 a.m. Motion Passed.